



U.S. Department of Justice

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PRESS RELEASE

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Internet Communications Firm Owners Plead Guilty To Employment Tax Fraud and Failure to Pay Tax

WASHINGTON - Frank G. Bivings and Isabelle Blanco, of Washington, D.C., husband and wife, and co-owners of The Bivings Group, Inc., pled guilty today to charges stemming from the failure to pay more than \$2 million in employment taxes to the Internal Revenue Service.

The guilty plea took place in the U.S. District Court for the District of Columbia and was announced by U.S. Attorney Ronald C. Machen Jr., Principal Deputy Assistant Attorney General John A. DiCicco of the Tax Division, and Jeannine A. Hammett, Acting Special Agent in Charge of the Washington Field Office of the Internal Revenue Service-Criminal Investigation.

Bivings pled guilty to one count of failure to pay over employment taxes. Blanco pled guilty to one count of failure to pay a tax. The Honorable Colleen Kollar-Kotelly scheduled sentencing for both defendants on October 20, 2011.

Bivings faces a statutory maximum term of imprisonment of five years and Blanco faces a statutory maximum of one year. The parties agreed, however, that the calculation under the advisory U.S. Sentencing Guidelines for each defendant is 30 to 37 months in prison. Both defendants also agreed to pay restitution of \$2,420,927.

The Bivings Group, Inc. was a full service Internet communications business. In pleading guilty, Bivings and Blanco both admitted that between January 1, 2002 and June 30, 2008, The Bivings Group, Inc. failed to pay over to the IRS a total of \$2,420,927 in employment taxes, which includes withholding and FICA taxes. Of this amount, \$1,813,488 represented the money that was withheld from employees for taxes but that was not paid over to the IRS.

Instead of paying these payroll taxes to the IRS, the defendants used the funds to pay themselves substantial salaries and withdrew additional corporate funds for other expenses.

In announcing today's guilty plea, U.S. Attorney Machen, Principal Deputy Assistant Attorney General DiCicco and Acting Special Agent in Charge Hammett commended the investigatory work of IRS-Criminal Investigation Special Agent Michael Helgesen. They also praised the work of Assistant U.S. Attorney Susan B. Menzer and Tax Division Trial Attorney Tino Lisella, who investigated and prosecuted the case.

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